

106TH CONGRESS  
1ST SESSION

# H. R. 1497

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To amend the Small Business Act with respect to  
the women's business center program.

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1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Women’s Business  
3 Centers Sustainability Act of 1999”.

4 **SEC. 2. PRIVATE NONPROFIT ORGANIZATIONS.**

5       Section 29 of the Small Business Act (15 U.S.C. 656)  
6 is amended—

7           (1) in subsection (a)—

8                   (A) by redesignating paragraphs (2) and  
9                   (3) as paragraphs (3) and (4), respectively; and

10                  (B) by inserting after paragraph (1) the  
11                  following:

12                  “(2) the term ‘private nonprofit organization’  
13                  means an entity described in section 501(c) of the  
14                  Internal Revenue Code of 1986 that is exempt from  
15                  taxation under section 501(a) of such Code;” and

16                  (2) in subsection (b), by inserting “nonprofit”  
17                  after “private”.

18 **SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND RE-**  
19 **VIEW OF WOMEN’S BUSINESS CENTERS.**

20       Section 29 of the Small Business Act (15 U.S.C. 656)  
21 is amended—

22           (1) by striking subsection (h) and inserting the  
23           following:

24           “(h) PROGRAM EXAMINATION.—

25           “(1) IN GENERAL.—The Administration shall—

1           “(A) develop and implement procedures to  
2           annually examine the programs and finances of  
3           each women’s business center established pur-  
4           suant to this section, pursuant to which each  
5           such center shall provide to the  
6           Administration—

7                   “(i) an itemized cost breakdown of ac-  
8                   tual expenditures for costs incurred during  
9                   the preceding year; and

10                   “(ii) documentation regarding the  
11                   amount of matching assistance from non-  
12                   Federal sources obtained and expended by  
13                   the center during the preceding year in  
14                   order to meet the requirements of sub-  
15                   section (c) and, with respect to any in-kind  
16                   contributions described in subsection (c)(2)  
17                   that were used to satisfy the requirements  
18                   of subsection (c), verification of the exist-  
19                   ence and valuation of those contributions;  
20                   and

21           “(B) analyze the results of each such ex-  
22           amination and, based on that analysis, make a  
23           determination regarding the viability of the pro-  
24           grams and finances of each women’s business  
25           center.

1           “(2) EXTENSION OF CONTRACTS.—In deter-  
2           mining whether to extend or renew a contract with  
3           a women’s business center, the Administration—

4                   “(A) shall consider the results of the most  
5                   recent examination of the center under para-  
6                   graph (1); and

7                   “(B) may withhold such extension or re-  
8                   newal, if the Administration determines that—

9                           “(i) the center has failed to provide  
10                           any information required to be provided  
11                           under clause (i) or (ii) of paragraph  
12                           (1)(A), or the information provided by the  
13                           center is inadequate; or

14                           “(ii) the center has failed to provide  
15                           any information required to be provided by  
16                           the center for purposes of the report of the  
17                           Administration under subsection (j), or the  
18                           information provided by the center is inad-  
19                           equate.”; and

20                   (2) by striking subsection (j) and inserting the  
21                   following:

22                   “(j) MANAGEMENT REPORT.—

23                           “(1) IN GENERAL.—The Administration shall  
24                           prepare and submit to the Committees on Small  
25                           Business of the House of Representatives and the

1 Senate a report on the effectiveness of all projects  
2 conducted under this section.

3 “(2) CONTENTS.—Each report submitted under  
4 paragraph (1) shall include information concerning,  
5 with respect to each women’s business center estab-  
6 lished pursuant to this section—

7 “(A) the number of individuals receiving  
8 assistance;

9 “(B) the number of startup business con-  
10 cerns formed;

11 “(C) the gross receipts of assisted con-  
12 cerns;

13 “(D) the employment increases or de-  
14 creases of assisted concerns;

15 “(E) to the maximum extent practicable,  
16 increases or decreases in profits of assisted con-  
17 cerns;

18 “(F) documentation detailing the most re-  
19 cent analysis undertaken under subsection  
20 (h)(1)(B) and the determinations made by the  
21 Administration with respect to that analysis;  
22 and

23 “(G) demographic data regarding the staff  
24 of the center.”.

1 **SEC. 4. WOMEN’S BUSINESS CENTER SUSTAINABILITY**  
2 **PILOT PROGRAM.**

3 (a) IN GENERAL.—Section 29 of the Small Business  
4 Act (15 U.S.C. 656) is amended by adding at the end the  
5 following:

6 “(l) SUSTAINABILITY PILOT PROGRAM.—

7 “(1) IN GENERAL.—There is established a 4-  
8 year pilot program under which the Administration  
9 is authorized to make grants (referred to in this sec-  
10 tion as ‘sustainability grants’) on a competitive basis  
11 for an additional 5-year project under this section to  
12 any private nonprofit organization (or a division  
13 thereof)—

14 “(A) that has received financial assistance  
15 under this section pursuant to a grant, con-  
16 tract, or cooperative agreement; and

17 “(B) that—

18 “(i) is in the final year of a 5-year  
19 project; or

20 “(ii) to the extent that amounts are  
21 available for such purpose under sub-  
22 section (k)(4)(B), has completed a project  
23 financed under this section (or any prede-  
24 cessor to this section) and continues to  
25 provide assistance to women entrepreneurs.

1           “(2) CONDITIONS FOR PARTICIPATION.—In  
2           order to receive a sustainability grant, an organiza-  
3           tion described in paragraph (1) shall submit to the  
4           Administration an application, which shall include—

5                   “(A) a certification that the applicant—

6                           “(i) is a private nonprofit organiza-  
7                           tion;

8                           “(ii) employs a full-time executive di-  
9                           rector or program manager to manage the  
10                          women’s business center for which a grant  
11                          is sought; and

12                          “(iii) as a condition of receiving a sus-  
13                          tainability grant, agrees—

14                                  “(I) to an annual examination by  
15                                  the Administration of the center’s  
16                                  programs and finances; and

17                                  “(II) to the maximum extent  
18                                  practicable, to remedy any problems  
19                                  identified pursuant to that examina-  
20                                  tion;

21                          “(B) information demonstrating that the  
22                          applicant has the ability and resources to meet  
23                          the needs of the market to be served by the  
24                          women’s business center site for which a sus-



1           tainability grant is sought, including the ability  
2           to raise financial resources;

3           “(C) information relating to assistance  
4           provided by the women’s business center site  
5           for which a sustainability grant is sought in the  
6           area in which the site is located, including—

7                   “(i) the number of individuals as-  
8                   sisted;

9                   “(ii) the number of hours of coun-  
10                  seling, training, and workshops provided;  
11                  and

12                  “(iii) the number of startup business  
13                  concerns formed;

14           “(D) information demonstrating the effec-  
15           tive experience of the applicant in—

16                   “(i) conducting financial, manage-  
17                   ment, and marketing assistance programs,  
18                   as described in paragraphs (1), (2), and  
19                   (3) of subsection (b), designed to impart or  
20                   upgrade the business skills of women busi-  
21                   ness owners or potential owners;

22                   “(ii) providing training and services to  
23                   a representative number of women who are  
24                   both socially and economically disadvan-  
25                   taged;

1 “(iii) using resource partners of the  
2 Administration and other entities, such as  
3 universities;

4 “(iv) complying with the cooperative  
5 agreement of the applicant; and

6 “(v) prudently managing finances and  
7 staffing, including the manner in which the  
8 performance of the applicant compared to  
9 the business plan of the applicant and the  
10 manner in which grants made under sub-  
11 section (b) were used by the applicant; and

12 “(E) a 5-year plan that demonstrates the  
13 ability of the women’s business center site for  
14 which a sustainability grant is sought—

15 “(i) to serve women business owners  
16 or potential owners in the future by im-  
17 proving fundraising and training activities;  
18 and

19 “(ii) to provide training and services  
20 to a representative number of women who  
21 are both socially and economically dis-  
22 advantaged.

23 “(3) REVIEW OF APPLICATIONS.—

24 “(A) IN GENERAL.—The Administration  
25 shall—

1 “(i) review each application submitted  
2 under paragraph (2) based on the informa-  
3 tion provided under subparagraphs (D)  
4 and (E) of that paragraph, and the criteria  
5 set forth in subsection (f); and

6 “(ii) approve or disapprove applica-  
7 tions for sustainability grants simulta-  
8 neously with applications for grants under  
9 subsection (b).

10 “(B) DATA COLLECTION.—Consistent with  
11 the annual report to Congress under subsection  
12 (j), each women’s business center site that re-  
13 ceives a sustainability grant shall, to the max-  
14 imum extent practicable, collect the information  
15 relating to—

16 “(i) the number of individuals as-  
17 sisted;

18 “(ii) the number of hours of coun-  
19 seling and training provided and work-  
20 shops conducted;

21 “(iii) the number of startup business  
22 concerns formed;

23 “(iv) any available gross receipts of  
24 assisted concerns; and

1                   “(v) the number of jobs created,  
2                   maintained, or lost at assisted concerns.

3                   “(C) RECORD RETENTION.—The Adminis-  
4                   tration shall maintain a copy of each applica-  
5                   tion submitted under this subsection for not  
6                   less than 10 years.

7                   “(4) NON-FEDERAL CONTRIBUTION.—

8                   “(A) IN GENERAL.—Notwithstanding any  
9                   other provision of this section, as a condition of  
10                  receiving a sustainability grant, an organization  
11                  described in paragraph (1) shall agree to ob-  
12                  tain, after its application has been approved  
13                  under paragraph (3) and notice of award has  
14                  been issued, cash and in-kind contributions  
15                  from non-Federal sources for each year of addi-  
16                  tional program participation in an amount  
17                  equal to 1 non-Federal dollar for each Federal  
18                  dollar.

19                  “(B) IN-KIND CONTRIBUTIONS.—Not more  
20                  than 50 percent of the non-Federal assistance  
21                  obtained for purposes of subparagraph (A) may  
22                  be in the form of in-kind contributions that  
23                  exist only as budget line items, including such  
24                  contributions of office equipment and office  
25                  space.

1 “(5) TIMING OF REQUESTS FOR PROPOSALS.—

2 In carrying out this subsection, the Administration  
3 shall issue requests for proposals for women’s busi-  
4 ness centers applying for the pilot program under  
5 this subsection simultaneously with requests for pro-  
6 posals for grants under subsection (b).”.

7 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
8 29(k) of the Small Business Act (15 U.S.C. 656(k)) is  
9 amended—

10 (1) by striking paragraph (1) and inserting the  
11 following:

12 “(1) IN GENERAL.—There is authorized to be  
13 appropriated, to remain available until the expiration  
14 of the pilot program under subsection (1)—

15 “(A) \$12,000,000 for fiscal year 2000;

16 “(B) \$12,800,000 for fiscal year 2001;

17 “(C) \$13,700,000 for fiscal year 2002; and

18 “(D) \$14,500,000 for fiscal year 2003.”;

19 (2) in paragraph (2)—

20 (A) by striking “Amounts made” and in-  
21 serting the following:

22 “(A) IN GENERAL.—Except as provided in  
23 subparagraph (B), amounts made”; and

24 (B) by adding at the end the following:

1           “(B) EXCEPTION.—Of the total amount  
2           made available under this subsection for a fiscal  
3           year, the following amounts shall be available  
4           for costs incurred in connection with the selec-  
5           tion of applicants for assistance under this sub-  
6           section and with monitoring and oversight of  
7           the program authorized under this subsection:

8                   “(i) For fiscal year 2000, 2 percent of  
9                   such total amount.

10                   “(ii) For fiscal year 2001, 1.9 percent  
11                   of such total amount.

12                   “(iii) For fiscal year 2002, 1.9 per-  
13                   cent of such total amount.

14                   “(iv) For fiscal year 2003, 1.6 percent  
15                   of such total amount.”; and

16           (3) by adding at the end the following:

17           “(4) RESERVATION OF FUNDS FOR SUSTAIN-  
18           ABILITY PILOT PROGRAM.—

19                   “(A) IN GENERAL.—Of the total amount  
20                   made available under this subsection for a fiscal  
21                   year, the following amounts shall be reserved  
22                   for sustainability grants under subsection (l):

23                   “(i) For fiscal year 2000, 17 percent  
24                   of such total amount.

1 “(ii) For fiscal year 2001, 18.8 per-  
2 cent of such total amount.

3 “(iii) For fiscal year 2002, 30.2 per-  
4 cent of such total amount.

5 “(iv) For fiscal year 2003, 30.2 per-  
6 cent of such total amount.

7 “(B) USE OF UNAWARDED RESERVE  
8 FUNDS.—

9 “(i) SUSTAINABILITY GRANTS TO  
10 OTHER CENTERS.—Of amounts reserved  
11 under subparagraph (A), the Administra-  
12 tion shall use any funds that remain avail-  
13 able after making grants in accordance  
14 with subsection (l) to make grants under  
15 such subsection to women’s business center  
16 sites that have completed a project fi-  
17 nanced under this section (or any prede-  
18 cessor to this section) and that continue to  
19 provide assistance to women entrepreneurs.

20 “(ii) ADDITIONAL GRANTS.—The Ad-  
21 ministration shall use any funds described  
22 in clause (i) that remain available after  
23 making grants under such clause to make  
24 grants to additional women’s business cen-  
25 ter sites, or to increase the grants to exist-

1                   ing women’s business center sites, under  
2                   subsection (b).”.

3           (c) GUIDELINES.—Not later than 30 days after the  
4 date of the enactment of this Act, the Administrator of  
5 the Small Business Administration shall issue guidelines  
6 to implement the amendments made by this section.

7 **SEC. 5. EFFECTIVE DATE.**

8           This Act and the amendments made by this Act shall  
9 take effect on October 1, 1999.

          Passed the House of Representatives October 19,  
1999.

Attest:

*Clerk.*